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P88 RA

Reserve

The REA Program

1. A Great National Program: The REA program was created in 1935 when only one farm in ten was receiving central station electricity. Today almost half of our farms have power and REA has spearheaded this advance. As of June 30, 1945, REA has allotted about \$565,000,000, to some 900 borrowers, largely cooperatives, which are serving about 1,300,000 rural consumers, including about one million farms.

2. Working Successfully: The REA program is a success. Borrowers have paid in principal and interest as of June 30, 1945, about \$95,000,000 on their REA loans. About \$19,000,000 was repaid in advance of due dates.

3. 835 REA Cooperatives: REA loans have gone largely to rural electric cooperatives because in most states this has proved the easiest, quickest and best way to get widespread electricity to the farmers. Today REA cooperatives are operating in more than half the counties in the U. S. A.

4. Who Runs The REA Cooperative? An REA cooperative is a private enterprise, owned and operated locally by its members. Each member has an equal vote in its control.

5. Are Members Liable for Debts of a Cooperative? No, under no circumstances. Each REA co-op is incorporated under the laws of its state, and no co-op member is personally liable for his co-op's debts.

6. Area-Wide Service: The goal of the REA borrower is to make electric service available to every rural establishment in its area. It seeks to serve farmers in thinly populated areas as well as those who live in more densely settled neighborhoods.

7. REA Cooperatives Are Private Enterprises: Yes, indeed they are. The Federal Government, through REA, merely provides loan funds and advisory services, just as other Government agencies similarly provide loans to many other private business enterprises.

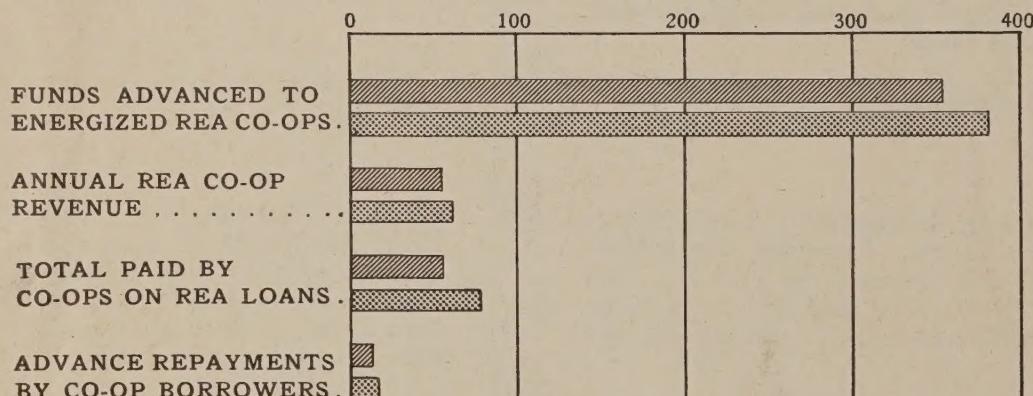
8. Service At Cost: The REA cooperative is operated for service to the community at cost, not for profit. It pays no dividends to stockholders.

9. Economical, Efficient Operation: Because the cooperatives are locally owned and controlled by the people they serve, every effort is made to keep costs low. Consumers read their own meters, often figure their own bills. They give free rights-of-way and assist in maintenance work, and other details on request. The directors and officers they elect serve without salary.

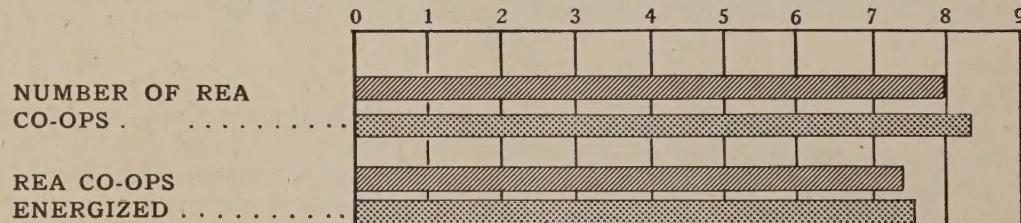
10. Boon To Rural Communities: Electricity boosts farm incomes, makes for better farm living. It provides a market for electrical equipment and appliances; increases the farmer's capacity to buy goods of all sorts. It makes for better schools and social facilities. It helps establish rural industries which provide local employment and local markets for raw materials.

THE CO-OP STORY IN STATISTICS

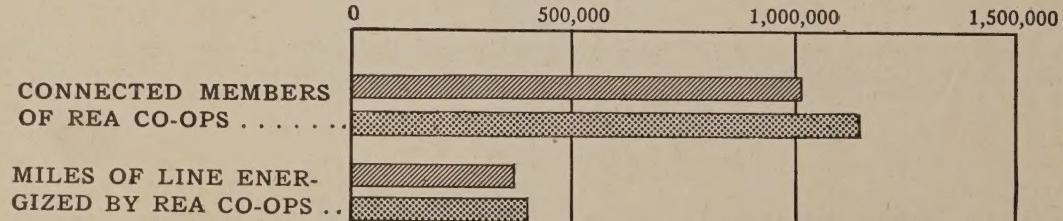
MILLIONS OF DOLLARS



CO-OPS (HUNDREDS)



MEMBERS AND MILES



CALENDAR YEAR

1943 1944

NOTE: These figures relate only to REA loans to cooperatives, not to all borrowers, which include public power districts, municipalities and private utilities, as well as cooperatives.